

AgImports

Continue Four Decades of Expansion

Demand & supply factors at work in a relatively open market

- ❑ Demand: consumer preferences (variety, luxury, ethnic foods); population growth; high disposable incomes
- ❑ Supply: capital flows build foreign capacity; technology transfer; supply chains become global; possibly lower production costs

FY 2008 import values for products driving most long-term growth

- ❑ horticultural products \$35.2 billion (fruit & vegs \$17.8 bil, wine & beer \$8.8 bil)
- ❑ snack foods \$5.2 bil, beef & pork \$4.8 bil, vegoils \$3.5 bil, dairy products \$2.7 bil

Key observations for FY 2008 – imports rise \$5.5 bil to \$75.5 bil

- ❑ import volume growth slows slightly with weaker dollar & slower economy, but higher prices keep value growing near the faster pace seen in the past 5 years
- ❑ higher prices for grains, oilseeds & their products add \$1.4 billion to the import bill – this compares to only \$300-million additional sales in 2005
- ❑ tropical product imports continues to grow above trend due to rising prices for natural rubber and rising purchases of coffee, cocoa, and confectioneries